

# Contract with Entergy

Carbon Sequestration

# Overview

- Outline of contract with Entergy
- Outline of contract with Growers
- Acreage commitment Example

# Contract with Entergy

- 10 Year Lease
  - Finalize Agreement in 45 days
- 30,000 Tons CO<sub>2</sub>
  - Tons of CO<sub>2</sub> divided by 3.67 equals tons of Carbon in the soil
- \$75,000
  - PNDSA retains 20% as aggregator and administrator of lease





# Contract with Growers

- Direct seed definition

- Method of planting and fertilizing done with no prior tillage to prepare the soil. Includes systems that plant and fertilize into undisturbed soil, as one pass, and those that fertilize first and then plant, as two passes.

- Eligible acres

- Ground direct seeded before 2002 that will be direct seeded for the next ten years. Annual or perennial crop production is acceptable. CRP acres not eligible.

- Payback

- If deviate from direct seed practice before year end 2011, must repay PNDSA. Repayment will be higher of contract payment or market price for CO<sub>2</sub> for years remaining.

- Signatories

- Grower will receive funds from and contract directly with PNDSA. The payment will be made to the signatory. Any involvement of other parties such as landlords or partners will be the responsibility of the grower member.

# Contract with Entergy

- 10 Year Lease, 30,000 Tons CO<sub>2</sub>, \$75,000
- Sequestration credits vintage pre-2002
  - Benefits the growers that have been direct seeding the longest
- Avoidance of CO<sub>2</sub> release through direct seeding for the next ten years
  - How Entergy uses emission reduction credits during term of this lease
- Permanent offsets from reduced fossil fuel use
  - Actual number of tons will be calculated when total number of acres used in contract are known. 22.38#CO<sub>2</sub> per gallon diesel used
- Verification with best available technology
  - Entergy and PNDSA will jointly seek development of verification models useable by all growers and energy companies for the future



# Contract with Growers

- Direct Seed Definition, Eligible Acres, Payback, Signatories
- Unit definition for allocation and payment
  - Acres solicited X years acres have been direct seeded = units.  
54,500 units needed
  - Example: 65 ac. X 6 yrs. = 390units X .15 tons C/ac/yr = 58.5 tons C  
X \$7.34/ton C = \$429.39
- No lease or sale on contracted acres during term of lease
- Grower responsible for Certification by local conservation districts

# Acreage Commitment Example

- Acres contracted can be whole field or portion
- Contracted acres can be moved within the unit as long as history of direct seeding is not lost.
- Defined unit would include section, township and range or other approved FSA definition.

***Questions ?????***